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DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-104]

Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China: Final Affirmative Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that imports of alloy and certain carbon steel threaded rod (threaded rod) from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The final dumping margins of sales at LTFV are listed in the "Final Determination" section of this notice.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Yang Jin Chun, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5760.

SUPPLEMENTARY INFORMATION:

Background

Commerce published the *Preliminary Determination* in the LTFV investigation of

threaded rod from China on September 25, 2019.¹ For a complete description of the events that followed the *Preliminary Determination*, see the Issues and Decision Memorandum.²

Period of Investigation

The period of investigation is July 1, 2018 through December 31, 2018.

Scope of the Investigation

The product covered by this investigation is threaded rod from China. For a complete description of the scope of this investigation, see Appendix I.

Scope Comments

On July 22, 2019, we issued a Preliminary Scope Memorandum.³ The scope case briefs were due on August 28, 2019.⁴ We received no scope case briefs from interested parties.

Therefore, Commerce has made no changes to the scope of this investigation since the *Preliminary Determination*.

Verification

As provided in section 782(i) of the Tariff Act of 1930, as amended (the Act), we verified the U.S. sales and factors of production information submitted by Ningbo Zhongjiang High

¹ See *Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination and Extension of Provisional Measures*, 84 FR 50379 (September 25, 2019) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (PDM).

² See Memorandum, "Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China: Issues and Decision Memorandum for the Final Affirmative Determination of Sales at Less Than Fair Value," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

³ See Memorandum, "Carbon and Alloy Steel Threaded Rod from India, Taiwan, Thailand, and the People's Republic of China: Scope Comments Decision Memorandum for the Preliminary Determinations," dated July 22, 2019 (Preliminary Scope Decision Memorandum).

⁴ The scope case briefs were due 30 days after the publication of *Carbon and Alloy Steel Threaded Rod from the People's Republic of China: Preliminary Affirmative Countervailing Duty Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 84 FR 36578 (July 29, 2019). See Preliminary Scope Decision Memorandum at 3.

Strength Bolts Co., Ltd. (Zhongjiang)⁵ and Zhejiang Junyue Standard Part Co., Ltd. (Junyue)⁶ in November 2019. We used standard verification procedures, including an examination of relevant accounting and production records, and original source documents provided by these two respondents.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. For a list of the issues raised by interested parties and addressed in the Issues and Decision Memorandum, *see* Appendix II to this notice. The Issues and Decision Memorandum is a public document and is made available to the public via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <https://enforcement.trade.gov/frn/index.html>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

China-Wide Entity and Use of Adverse Facts Available (AFA)

We continue to find that the use of facts available is warranted in determining the rate of the China-wide entity pursuant to sections 776(a)(1) and (a)(2)(A)-(C) of the Act.⁷ Further, use of AFA is warranted because the China-wide entity did not cooperate to the best of its ability to

⁵ See Memorandum, "Verification of the Questionnaire Responses of Ningbo Zhongjiang High Strength Bolts Co., Ltd. in the Antidumping Investigation of Alloy and Certain Carbon Steel Threaded Rod from the People's Republic of China," dated December 3, 2019.

⁶ See Memorandum, "Verification of the Questionnaire Responses of Zhejiang Junyue Standard Part Co., Ltd. in the Antidumping Investigation of Alloy and Certain Steel Threaded Rod from the People's Republic of China," dated December 3, 2019.

⁷ See *Preliminary Determination* PDM at 16-18.

comply with our requests for information and, accordingly, we applied adverse inferences in selecting from the facts available, pursuant to section 776(b) of the Act and 19 CFR 351.308(a).

Changes from the Preliminary Determination

Based on our analysis of the comments received and our findings at verification, we made certain changes to the dumping margin calculations for Junyue and Zhongjiang.⁸

Consistent with our *Preliminary Determination*, as AFA, we continued to rely on the highest petition rate of 59.45 percent to determine the China-wide entity's dumping margin.⁹

Combination Rates

Consistent with the *Preliminary Determination*¹⁰ and Policy Bulletin 05.1,¹¹ Commerce calculated combination rates for the respondents that are eligible for a separate rate in this investigation.

Final Determination

Commerce determines that the following weighted-average dumping margins exist:

Exporter	Producer	Estimated Weighted-Average Dumping Margin (percent)	Cash Deposit Rate (Adjusted for Subsidy Offsets) (percent)
Ningbo Zhongjiang High Strength Bolts Co., Ltd.	Ningbo Zhongjiang High Strength Bolts Co., Ltd.	14.16	3.62
Zhejiang Junyue Standard Part Co., Ltd.	Zhejiang Junyue Standard Part Co., Ltd.	4.26	0.00
Cooper & Turner (Ningbo) International Trading Co., Ltd.	Zhejiang Cooper & Turner Fasteners Co., Ltd.	11.47	0.00

⁸ See the Issues and Decision Memorandum for a discussion of these changes.

⁹ *Id.* at 3-4 for a full discussion of this issue.

¹⁰ See *Preliminary Determination*.

¹¹ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations Involving Non-Market Economy Countries," dated April 5, 2005 (Policy Bulletin 05.1), available on Commerce's website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Cooper & Turner (Ningbo) International Trading Co., Ltd.	Zhejiang Morgan Brother Technology Co., Ltd.	11.47	0.00
Cooper & Turner (Ningbo) International Trading Co., Ltd.	Zhejiang Huiyou Import & Export Co., Ltd.	11.47	0.00
EC International (Nantong) Co., Ltd.	Ningbo Zhongjiang High Strength Bolts Co., Ltd.	11.47	0.00
EC International (Nantong) Co., Ltd.	Ningbo Zhenghai Yongding Fasteners Manufacture Co., Ltd.	11.47	0.00
EC International (Nantong) Co., Ltd.	Zhejiang Junyue Standard Part Co., Ltd.	11.47	0.00
EC International (Nantong) Co., Ltd.	Haiyan Qinshan Rubber Factory	11.47	0.00
IFI & Morgan Ltd.	Zhejiang Morgan Brother Technology Co., Ltd.	11.47	0.00
Jiaxing Genteel Import & Export Co., Ltd.	Ningbo Zhenhai Zhongbiao Standard Parts Factory	11.47	0.00
Ningbo Dingtuo Imp. & Exp. Co., Ltd.	Ningbo Jinding Fastening Piece Co., Ltd.	11.47	0.00
Zhejiang Heiter Mfg & Trade Co., Ltd.	Zhejiang Golden Automotive Fastener Co., Ltd.	11.47	0.00
Ningbo Jinding Fastening Piece Co., Ltd.	Ningbo Jinding Fastening Piece Co., Ltd.	11.47	0.00
Ningbo Qunli Fastener Manufacture Co., Ltd.	Ningbo Qunli Fastener Manufacture Co., Ltd.	11.47	0.00
Nantong Runyou Metal Products Co., Ltd.	Nantong Runyou Metal Products Co., Ltd.	11.47	0.00
Ningbo Shareway Import & Export, Co., Ltd.	Zhejiang Junyue Standard Parts Co., Ltd.	11.47	0.00
Ningbo Xingsheng Oil Pipe Fittings Manufacture Co., Ltd.	Ningbo Xingsheng Oil Pipe Fittings Manufacture Co., Ltd.	11.47	0.00
Ningbo Zhenghai Yongding Fastener Co., Ltd.	Ningbo Zhenghai Yongding Fastener Co., Ltd.	11.47	0.00
RMB Fasteners Ltd.	Zhejiang Morgan Brother Technology Co., Ltd.	11.47	0.00
Zhejiang Morgan Brother Technology Co., Ltd.	Zhejiang Morgan Brother Technology Co., Ltd.	11.47	0.00
China-Wide Entity ¹²		59.45	48.91

¹² Commerce preliminarily denied the separate rate eligibility for Jiaxing Xingcheng Electronics Co., Ltd., Ningbo Panxiang Imp & Exp Co., Ltd., Ningbo Zhonglian Fastener Co., Ltd., and Ningbo Zhong Xin Angora Spinning Mill. *See Preliminary Determination*, 84 FR at 50380, n. 12. For the final determination, Commerce continues to deny their separate rate eligibility and treat them as part of the China-wide entity.

Disclosure

We intend to disclose the calculations performed to parties in this proceeding within five days after public announcement of the final determination in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with sections 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of threaded rod from China, as described in Appendix I of this notice, which were entered or withdrawn from warehouse for consumption on or after September 25, 2019, the date of publication of the *Preliminary Determination* of this investigation in the *Federal Register*.

Pursuant to section 735(c)(1)(B)(ii) of the Act, upon the publication of this notice, Commerce will instruct CBP to require a cash deposit equal to the weighted-average amount by which the normal value exceeds U.S. price as follows: (1) the cash deposit rate for the exporter/producer combinations listed in the table above will be the rate identified in the table; (2) for all combinations of Chinese exporters/producers of subject merchandise that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the China-wide entity; and (3) for all non-Chinese exporters of subject merchandise which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the Chinese exporter/producer combination that supplied that non-Chinese exporter. These suspension of liquidation instructions will remain in effect until further notice.

To determine the cash deposit rate, Commerce normally adjusts the estimated weighted-average dumping margin by the amount of domestic subsidy pass-through and export subsidies

determined in a companion countervailing duty (CVD) proceeding when CVD provisional measures are in effect. Accordingly, where Commerce makes an affirmative determination for domestic subsidy pass-through or export subsidies, Commerce offsets the calculated estimated weighted-average dumping margin by the appropriate rate(s). In this case, we have made a negative determination for domestic subsidy pass-through for all respondents, but we have also found export subsidies for all respondents. In particular, Commerce issued the final determination of the concurrent CVD investigation of threaded rod from China, in which it found export-contingent subsidies of 10.54 percent for Zhongjiang and 31.62 percent for Junyue.¹³ Therefore, we deducted export subsidies from the final margins and adjusted the cash deposit rates.¹⁴ However, suspension of liquidation for provisional measures in the companion CVD case has been discontinued;¹⁵ therefore, we are not instructing CBP to collect cash deposits based upon the adjusted estimated weighted-average dumping margin for those export subsidies at this time.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of our final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of subject merchandise from China no later than 45 days after our final determination. If the ITC

¹³ See the unpublished *Federal Register* notice entitled “Carbon and Alloy Steel Threaded Rod from the People’s Republic of China: Final Affirmative Countervailing Duty Determination,” dated concurrently with this notice.

¹⁴ See Memorandum, “Alloy and Certain Carbon Steel Threaded Rod from the People’s Republic of China: Final Separate Rate for Non-Selected Respondents,” dated concurrently with this notice for the cash deposit rate adjustment for non-selected separate rate respondents.

¹⁵ See CBP Message No. 9331312 dated November 27, 2019, available at https://aceservices.cbp.dhs.gov/adcvdweb/ad_cvd_msgs/27895.

determines that such injury does not exist, this proceeding will be terminated and all cash deposits posted will be refunded or canceled. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Notification Regarding Administrative Protective Order

This notice will serve as a reminder to the parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: February 7, 2020.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The merchandise covered by the scope of this investigation is alloy and certain carbon steel threaded rod. Alloy and certain carbon steel threaded rod are certain threaded rod, bar, or studs, of carbon or alloy steel, having a solid, circular cross section of any diameter, in any straight length. Alloy and certain carbon steel threaded rod are normally drawn, cold-rolled, threaded, and straightened, or it may be hot-rolled. In addition, the alloy and certain carbon steel threaded rod, bar, or studs subject to this investigation are non-headed and threaded along greater than 25 percent of their total actual length. A variety of finishes or coatings, such as plain oil finish as a temporary rust protectant, zinc coating (*i.e.*, galvanized, whether by electroplating or hot-dipping), paint, and other similar finishes and coatings, may be applied to the merchandise.

Alloy Steel threaded rod is normally produced to American Society for Testing and Materials (ASTM) specifications A193 B7/B7m, A193 B16, A320 L7/L7m, A320 L43, A354 BC and BD, and F1554 Grade 105. Other specifications are Society of Automotive Engineers (SAE) specification 1429 grades 5 and 8, International Organization for Standardization (ISO) specification 898 class 8.8 and 10.9, and American Petroleum Institute (API) specification 20E. Certain carbon steel threaded rod is normally produced to ASTM specification A449. All steel threaded rod meeting the physical description set forth above is covered by the scope of this investigation, whether or not produced according to a particular standard.

Subject merchandise includes material matching the above description that has been finished, assembled, or packaged in a third country, including by cutting, chamfering, coating, or painting the threaded rod, by attaching the threaded rod to, or packaging it with, another product, or any other finishing, assembly, or packaging operation that would not otherwise remove the

merchandise from the scope of the investigation if performed in the country of manufacture of the threaded rod.

Alloy and certain carbon steel threaded rod are also included in the scope of this investigation whether or not imported attached to, or in conjunction with, other parts and accessories such as nuts and washers. If carbon and alloy steel threaded rod are imported attached to, or in conjunction with, such non-subject merchandise, only the threaded rod is included in the scope. Excluded from the scope of this investigation are: (1) threaded rod, bar, or studs which are threaded only on one or both ends and the threading covers 25 percent or less of the total actual length; and (2) stainless steel threaded rod, defined as steel threaded rod containing, by weight, 1.2 percent or less of carbon and 10.5 percent or more of chromium, with or without other elements.

Excluded from the scope of the antidumping investigation on steel threaded rod from the People's Republic of China is any merchandise covered by the existing antidumping order on Certain Steel Threaded Rod from the People's Republic of China. *See Certain Steel Threaded Rod from the People's Republic of China: Notice of Antidumping Duty Order*, 74 FR 17154 (April 14, 2009).

Specifically excluded from the scope of this investigation is threaded rod that is imported as part of a package of hardware in conjunction with a ready-to-assemble piece of furniture.

Alloy and certain carbon steel threaded rod are currently classifiable under subheadings 7318.15.5051, 7318.15.5056, and 7318.15.5090 of the Harmonized Tariff Schedule of the United States (HTSUS). Subject merchandise may also enter under subheading 7318.15.2095 and 7318.19.0000 of the HTSUS. The HTSUS subheadings are provided for convenience and U.S. Customs purposes only. The written description of the scope is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Surrogate Country
- IV. Separate Rates
- V. China-Wide Rate
- VI. Adjustments to Cash Deposit Rates
- VII. Changes Since the Preliminary Determination
- VIII. Discussion of the Issues
 - Comment 1: Double Remedies
 - Comment 2: Export Subsidies
 - Comment 3: Alloy Wire Rod
 - Comment 4: Zinc Powder
 - Comment 5: Selection of Primary Surrogate Country
 - Comment 6: Labor
 - Comment 7: SermaGard
 - Comment 8: Octyl Phenol and Ethylene Oxide Emulsifier
 - Comment 9: Surrogate Financial Ratios
 - Comment 10: Junyue's Factors of Production
 - Comment 11: Ocean Freight
 - Comment 12: Surrogate Movement Expenses on a Gross Weight Basis
 - Comment 13: Zhongjiang's U.S. Inland Freight from Port to Customer
 - Comment 14: Differential Pricing
 - Comment 15: Irrecoverable Value-Added Tax
- IX. Recommendation

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